



State of California

OFFICE OF THE INSPECTOR GENERAL

MATTHEW L. CATE, INSPECTOR GENERAL

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**Department of Corrections and Rehabilitation not doing enough to
prepare inmates for release, adopt modern technology, or provide inmates with medical care**

State prisons have improved operations and security over the past five years in response to past audits, and the California Department of Corrections and Rehabilitation has addressed long-standing issues affecting internal affairs, Inspector General Matthew L. Cate reported today. But, Cate said, the department still has not addressed three of its other most troubling problems: fulfilling its broader public safety mission of preparing inmates for release; overhauling its antiquated information technology system; and providing inmates with adequate medical care in a fiscally sound manner.

Releasing the results of a 400-page, eight month-long follow-up review performed to evaluate the department's progress in implementing recommendations from past audits, the Inspector General said that overall, wardens and staff at individual prisons have fully or substantially implemented 84 percent of the recommendations directed toward the institutions. He also noted that the department has markedly improved its internal affairs operation as a result of earlier reviews and in response to a class action lawsuit. In the past, Cate said, deficiencies in internal affairs prevented investigations from being completed within the required one-year time limit, which in turn prevented the department from disciplining peace officers found to have engaged in misconduct. In March 2002, for example, the Office of the Inspector General found that 43 percent of a sample of internal affairs investigations conducted in the two previous fiscal years in which misconduct allegations were sustained were not completed within one year and therefore did not result in disciplinary action. Now, however, the problem has almost been eliminated. The Inspector General found that in the period December 1, 2004 through May 31, 2005, only 2 percent of 94 investigations with sustained allegations exceeded the time limit.

But, the Inspector General said, administrators at the department level have been less responsive to other past recommendations. Of 143 recommendations directed to department administrators responsible for non-medical operations, only 69 percent have been fully or substantially implemented. The picture is worse in areas involving inmate medical care: of the 31 recommendations directed toward headquarters medical administrators, only 15 (48 percent) have been fully or substantially implemented. Overall, the follow-up review determined that of 394 recommendations issued in 22 previous audits and reviews of the department's adult operations and programs, 241 (61 percent) have been fully implemented and 53 (14 percent) have been substantially implemented. Thirty-nine recommendations (10 percent) have not been implemented, while another 4 percent are no longer applicable. The Office of the Inspector General has issued 91 new recommendations to address the remaining deficiencies.

Severely hampering the department's ability to address its problems, the Inspector General noted, is an inmate population that has prisons straining at almost double design capacity. In March 2006, the state's prison population stood at 169,091, making California's correctional system one of the largest in the world.

As the inmate population increases, the Inspector General said, the department's problems — controlling violence, offering education, delivering health care, managing overcrowding, and controlling costs — become more difficult. The department's adult operations budget grew from \$4.4 billion in fiscal year 2000-01 to \$5.3 billion in fiscal year 2003-04. The governor's proposed fiscal year 2006-07 budget for adult operations is approximately \$7.5 billion.

"The department can't solve these problems, alone," said Cate. "Developing sustainable solutions will require policymakers and the public, along with the department, to address the available options: increasing prison capacity; examining sentencing and parole policies; investing additional resources into reducing recidivism; or a combination of all three."

The state's prison population grew by 8,245 inmates between 2000 and 2006, tracking almost exactly with the state's annual population growth rate. While numerous factors are driving the numbers, the Inspector General said the department must do more to control inmate population growth by reducing the state's recidivism rate. For example, even though according to department statistics, 21 percent of inmates are serving prison terms for drug offenses and the one-year recidivism rate for drug offenders

is 37 percent, the department has not researched the effectiveness of its largest substance abuse treatment program since a 2002 UCLA study found no difference in recidivism rates between program participants and a control group of inmates at another prison who received no treatment.

A January 2003 audit of the 1,478-bed program by the Office of the Inspector General identified some of the possible reasons for the UCLA findings, Cate said. Yet the 2006 follow-up review determined that the department still has not adequately addressed the deficiencies found in that audit. The 2003 audit of the program, which is located at the Substance Abuse Treatment Facility and State Prison at Corcoran, found the department was placing large numbers of inmates into the program who were not suited to the treatment model, including sex offenders and inmates who were mentally ill. The audit also determined that the contractors operating the program were failing to provide the number of counselors required under the contract and that the number of inmates assigned to each “therapeutic community” treatment group exceeded the contract limits. Yet the department had no sanctions available under the contract to force compliance, and its monitoring of the contractors’ performance was almost non-existent. As a result of the 2006 follow-up audit, the Inspector General found that the department appeared to be reducing the number of sex offenders and mentally ill inmates assigned to the program, but that most of the other deficiencies remained unchanged.

Adding to the department’s problems and impeding processes at every level, the Inspector General said, is its outdated information technology, which consists of antiquated mainframes and stand-alone databases. The system’s shortcomings often reduce critical procedures to manual processing of paper records and put custody and medical staff at risk of making vital decisions based on paper files that may not be up-to-date, Cate said.

As another example of the information technology deficiencies, the Inspector General pointed to the department’s inefficient, 20-year-old pharmacy management system. In July 2003, the Office of the Inspector General estimated that the department could save as much as \$26 million from its annual pharmaceutical expenditures, which totaled \$122.3 million in fiscal year 2002-03, by replacing the pharmacy management system with an automated health care management system capable of performing essential functions to control costs and prevent waste. Four other independent entities made similar recommendations. Yet, the system still has not been replaced, and the Inspector General reported that the department continues to waste millions of dollars annually on pharmaceuticals as a result. In fiscal year 2003-04, the department’s expenditures for pharmaceutical products rose to \$129.7 million, an increase of \$7.4 million over the previous year.

The Inspector General noted that the department's failures in providing inmate medical care have been similarly long-standing. For example, the California Substance Abuse Treatment Facility and State Prison at Corcoran — the second-largest institution in the state system — reported that a critical shortage of staff physicians and medical administrators has prevented it from implementing many of the Office of the Inspector General's recommendations dating back to January 2003 affecting medical services. As a result, physicians do not see inmates promptly, and the facility's medical staff does not effectively monitor inmates with chronic medical conditions.

Because of vacancies in medical staff positions and the inability to provide specialized medical services, the department contracts with outside providers to supplement in-prison medical care and to temporarily fill vacancies. In fiscal year 2004-05, the department's expenditures for those services totaled more than \$315 million. Yet, the Office of the Inspector General found in an October 2002 review that because of deficiencies in the medical contracting process, the department had paid for services that had not been authorized and for others that had not been performed. The department made changes in response to that review and to two subsequent audits by the California State Auditor. But according to a correctional expert appointed by the U. S. District Court, in the course of implementing the changes, the department has fallen \$58 million behind in paying claims, and a new bidding process instituted to replace single-source contracting has resulted in a shortage of specialty providers.

The full text of the Inspector General's follow-up review of the California Department of Corrections and Rehabilitation can be viewed and downloaded from the Office of the Inspector General's web site at <http://www.oig.ca.gov/>. To view the report, go the home page and click on the report title, "Accountability Audit: Review of Audits of the California Department of Corrections and Rehabilitation, Adult Operations and Adult Programs, 2000-2004 (April 2006)" or click on the link entitled "Reports – Audit and Special Review Reports" to access the report under the title: "California Department of Corrections and Rehabilitation, Accountability Audit: Review of Audits of Adult Operations and Adult Programs, 2000-2004 (April 2006)."

The Office of the Inspector General is an independent state agency responsible for oversight of the California Department of Corrections and Rehabilitation. The office carries out its mission by conducting audits, special reviews, and investigations of the department to uncover criminal conduct, administrative wrongdoing, poor management practices, waste, fraud, and other abuses by staff,

supervisors, and management. The special review was conducted under the authority provided to the Inspector General in California Penal Code section 6126.

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